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by Charles F. Gallagher

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The Nile Valley has been since the earliest times an area of fertility and abundance for those who, once far fewer in number, have dwelt within its confines. Throughout the centuries a series of efforts has been made to regulate the flow of the waters as they passed down to the sea and to organize agricultural life around the rhythmic pulsing of the river in flood and ebb. Five millennia ago farming in Egypt much resembled the last remaining basin irrigation type lands of today, in which the water after it subsides is lifted manually to the small, mud-walled fields, and the earth is turned with simple wooden ploughs.

The High Dam of 1960 at Aswan is in a sense only the latest and greatest attempt to regulate the river in a long history of regulation. Beginning in Pharaonic times and continuing through the Ptolemaic era and the high period of Salah ed-din al Ayyub, the Saladin of Western medieval history, recurrent repairs and improvements were made to irrigation systems and the management of river traffic. In the first half of the 19th century the reformist government of Muhammad Ali, using forced labor, cleaned out the canals and installed new water wheels; a barrage with complementary sluices and ditches was constructed at the upper end of the Delta. A million acres of land were put under cultivation, some were used for the first time to grow long-staple cotton.

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CHARLES F. GALLAGHER, the author of his report, is based in Tangier and makes ccasional visits to the Middle East to write bout affairs of the Arab world. Upon com- leting a five-year program of Islamic tudies, Mr. Gallagher joined the AUFS in 956.

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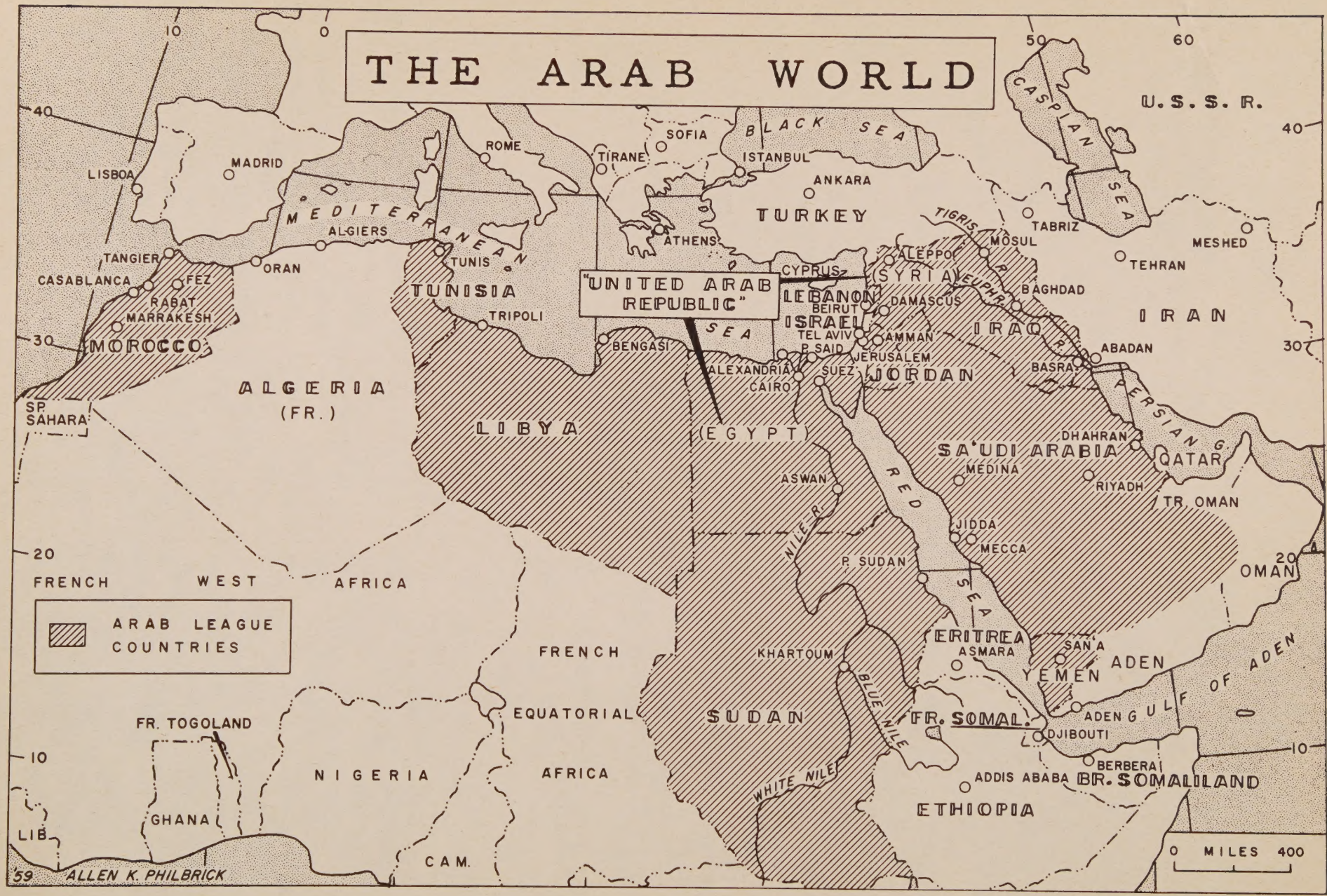
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59 ALLEN K. PHILBRICK

By the time the British occupation began in 1882 this system had fallen into disuse, and one of the brightest spots of the colonial regime was the systematic advance made in water conservation and development projects. British engineers who had worked in the Indian services recognized the merit of the Muhammad Ali schemes, which had aimed at preserving water for usage in summer when the Nile was at low water point. From 1882, for two decades, they increased the water capacity of the main canals of the Delta, restored the barrage, repaired the sluice systems, and resultantly increased the cotton crop by half a million kantars.[1] As early as 1890 all the Delta was given over to perennial cultivation.

In Upper Egypt the area of irrigation was enlarged and in 1902 a phase of Nile control was completed by the construction of the first Aswan Dam. This was designed to retain water for summer cultivation. After the dam's height had been raised in 1910, the sugar and cotton crops were increased two- and threefold respectively. Only then and for a brief period was the expansion of agriculture able to keep pace with the population growth which started at the turn of the 20th century.

This original Aswan Dam, however, had the drawback of operating on a yearly storage basis and it was in consequence dependent on the flow of any given year. It has long been realized that something better was needed, and nothing more comprehensively ideal has ever been proposed than the century storage plan of the Egyptian Irrigation Service's British engineers. Its adoption would have involved riparian agreements going back to the source regions of the various Niles in central Africa, building dams along the entire length of the river from Lake Victoria on down, and cutting a canal through the Sudd, a particularly difficult swampy part of the Sudan.

Despite its value, the century storage plan was unacceptable to the Egyptian Government for practical and psychological reasons. The population increase would have long surpassed the breaking point by the time it was completed--in some 25 years--and its works would have been so remote in time, and some of them in place, that it seemed little likely to offer to the Egyptian people the dramatization of activity necessary to sustain them during their most critical period.

The High Dam on which work was inaugurated at the beginning of this year is a compromise between this unattainable ideal and the improvident reality of the present. It provides multiyear storage sufficient to make possible the planning for agricultural expansion and to meet increased power needs. It is mammoth enough to excite the imagination of a people who need both a myth and some indication of its realization; and it is concise enough to be able to be terminated in less than a decade.

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[1] One kantar=99.05 pounds.

What will the High Dam really mean to Egypt?

In concrete terms, as described in a press conference last month by the man who should know most about it, Musa Arafa, Minister of Public Works in the Southern Region, it will

1) expand the present cultivated area of Egypt (now some six million acres) by a million acres;

2) irrigate 700,000 acres by a perennial system instead of a basin system;

3) guarantee irrigation needs for all present and future arable land;

4) guarantee the planting of 700,000 acres to rice each year regardless of the river flow;

5) give full security against floods;

6) produce about 10,000,000,000 kw. hours of electricity each year;

7) economize one and a half million tons of oil a year with a consequent saving in foreign exchange;

8) raise the national income by 235 million pounds (£E 1=$2.87 at the official rate), or by about 25 per cent.

These forecasts sound impressive, and are. The High Dam is a mighty project whose statistics are lost in superlatives. It is a complex of three barrages, of which the principal one will rise some 365 feet above the water level, creating a vast artificial lake stretching upstream into the Sudan for 300 miles and holding 130 billion cubic meters of water.

But just as eloquent, and more sobering, is the fact that even this extravagant accomplishment--which, as one irreverent journalist noted, Cecil B. De Mille should have lived to film--will provide only enough of an increase in cultivable land to take care of the projected population increase in Egypt in the coming ten years. In that time another five million persons will have been added to the present total of 25 million, and as the arable surface is increased by one-sixth, the population will grow by one-sixth or more. The High Dam will be completed, under current speeded-up schedules and telescoped stages, in 1967. By 1970 Egypt will be back to where it is now on the treadmill as far as its population-agricultural resources ratio is concerned.

Thus the High Dam is, paradoxically for all its colossal impressiveness, a stopgap. As a long-range stopgap it was conceived of as having a specific purpose in time: to force the country to run a bit faster in order to

have a short rest period at the end and during which the building blocks of a more permanent future can be laid. The project has always been considered by Egyptian planners as only one part of a concerted development scheme and they have repeatedly emphasized it not as an end in itself but as a means of providing for industrial growth. Other links in the scheme include the goal of attaining universal primary education (set for 1964 but probably to be reached a few years later), self-sufficiency in food production for at least a short period of respite, and the thorough prospecting for yet undiscovered mineral resources.

The key to this whole (without considering the sums which the Government of the United Arab Republic will probably continue to feel compelled to devote to armaments) lies in the acquisition and formation of capital, and capital requirements now loom as the overriding problem for Egypt in this decade.

The Egyptian national income is now running at something just short of one billion pounds per year. Costs for the High Dam project were originally estimated at about £E 350 million. Land-reclamation projects during the project period will require another 100 million, the completion of the educational program requiring the construction of an enormous number of classrooms and their staffing, a further 100 million. The improvement of communications facilities, highways, railroads, and ports will necessitate about 100 million more. And the minimum goal of doubling the national industrial output in the 1960's will demand at least 300 million Egyptian pounds according to most economists.

The sum of these capital requirements comes to around one billion pounds, i.e., the total of one year's national income. If, as has been insisted by the Government, all this is to be carried out in these ten years, at least 100 million pounds will be needed each year, or roughly ten per cent of the national income. And even this input, assuming a capital-income ratio at the most favorable of three-to-one, would result in a yearly increase in the national income of from three and one-half to four per cent--at best. With the gnawing population growth of two per cent annually, Egypt will be left with a net increase in per capita national income of two per cent or under. And remembering that these are almost optimum statistics under present conditions, it is easy to see that they leave little room for optimism. The situation is clearly grave and may be worse.

In the face of such requirements what has Egypt to offer in the way of capital formation possibilities? There are not many solid statistics but it would seem that there is not much saving available. Most experts agree that the rate of internal saving cannot be more than ten per cent, of which a substantial part, as in most similar economies, drifts into nonproductive channels, i.e., real estate, hoarding of jewelry and precious metals, and "mattress savings" or jealously kept bank accounts (when savings are not smuggled out

of the country as they have been in recent years, notably at the time of the Suez crisis). The best source of capital will perhaps continue to be the Suez Canal whose revenues are substantial but still a far cry from honoring the Government's emotional claim of building the High Dam with the operating profits from a nationalized canal. Indeed, we have seen that the Canal itself needed a World Bank loan in order to be able to expand its services and thus provide augmented revenues.

Recourse must be had to foreign capital, either governmental or private, or both. And in effect this has already been done. The Soviet Union in 1957 made an initial loan of 60 million pounds, in the form of credits for the purchase of industrial equipment goods in Russia; and the total of Soviet-Czech credits to Egypt now comes to £E 82 million. The Soviets have provided 37.5 million pounds for what was to have been the first stage of the High Dam, of which 12 million--owing to savings in construction plans--can be used for subsidiary development purposes. And the Soviet Union is now engaged in financing the telescoped second stage of the project, to be carried out as a unit, on the same basis as it participated in the original undertaking. It is possible that the final cost of the Dam may be reduced to something ranging from £E 230 to 250 million, of which the Russians will provide half; this will substantially reduce the Egyptian capital needs listed above, by perhaps £E 200 million.

But it is inescapably true that needs remain enormous and that the United Arab Republic is and will be forced to continue relying upon foreign governmental aid on a large scale. It is in this context that President Nasser's statement at the end of January, to the effect that he preferred intergovernmental loans to private foreign investment, should be viewed. The remark, which created apprehension in Western business circles dealing with Egypt, significantly was let drop after a visit by the director of the United States Development Loan Fund, the charter of which gives specific preference to investment in and by private industry; and it coincided with an exploratory visit made to Cairo by the West German Economics Minister. It also followed, and chilled, what was felt to be a noticeable warming of the climate toward private investment, at least as felt by the many businessmen from the United States, Western Europe, and Japan who have been practically commuting to Cairo in recent months. It is hard to avoid the conclusion that the Nasser Government, having weighed the relative advantages carefully, now feels that the scale of potential private investment is too small to make a dent in its compellingly grandiose development plans and that it has decided to put most, if not all, its eggs in the basket of direct governmental assistance.

These development plans, still vague in many respects and still being formulated in their details, are far superior to the minimum one billion pounds listed above as a rock-bottom necessity for achieving a four per cent increase in the national income. The broad aim now is to double the standard of living in ten years, something which would require a yearly increase in the per capita national income of twice the figure of four per cent per annum, and would

demand a capital input estimated at over three billion pounds in the next decade, that is, an investment level of roughly 30 per cent a year.

It is useless to entangle oneself in the minutiae of astronomic figures not yet firm, but it needs stressing that the burden, no matter what the exact final cost, may be intolerable to the average Egyptian, since it is difficult to see how such a program can be managed--even with goodly additional foreign assistance--without deficit financing, forced savings, a further depression of the standard of living for a time, and the grim possibility of directed, if not forced, labor.

That something of this sort may be in the offing in the United Arab Republic in these next ten years may be suspected from the growing body of official statements which are aimed at shaping the ethic of the future of the republic. The population is being roused to a new awareness of economic imperatives by the constantly reiterated slogans underlining economic independence, productivity, and development. The creation of a national spirit is matched by talk of "national service" and a "national work uniform." The Minister of National Economy expatiates in his press conferences on the role of the Economic Development Organization, a governmental body created in 1957 primarily to administer sequestered Anglo-French properties but which is steadily assuming a larger role in the national economic scene. Early this month the Government nationalized the National Bank of Egypt and the Banque Misr in further application of its policy of controlling the country's principal economic resources, converting shares in both banks into bonds bearing 5 per cent interest and redeemable over a period of 12 years. Before this takeover the EDO already possessed an investment of $180 million in some 75 enterprises in Egypt, and it plans now to expand its operations into practically every sector of the economy. Slowly but surely the socialist part of the constantly proclaimed triad--a socialist, co-operative, democratic state--becomes more noticeable.

But what of the democratics of it? Can freedom flourish in the climate of dynamic tension in which the United Arab Republic must seemingly carry out its changeover into an industrialized, modern state? To answer one question with another, one might ask whether Egypt is now, or has ever been, free in the Western sense. To all but the thinnest film of foreign-oriented elite, prerevolutionary Egypt offered nothing but economic hardship and political oppression. In limited areas, such as land reform and rent reductions, and in labor and education, the new regime has done something--neither overly much nor little--and it holds out the promise of alleviating further hardships in the economic domain as it has already reduced the social and psychological trauma of inferiority in past years. But the promise is for the years or decades to come and Nasserite Egypt is still a police state, although that term needs clarification. The controls are felt far differently by a foreigner habituated to a climate of freedom and by the Egyptian who certainly feels no less free now than he did under the monarchy. (Or by a Communist to whom Egypt would

appear as a hotbed of liberal freedom.) Secret police are secret police and it is natural to the Egyptian that the power of the government should be all-pervading. It is that now, but exercised with restraint and with what tentatively seems to be an ever lightening hand; both for foreigners (whose regular police "checkouts" are more perfunctory than before, and for whom some of the restrictive regulations on basic freedoms of press and communications have been relaxed quite recently), and for many old regime Egyptians, politicians of the Wafd, the Saadist, and the Liberal Constitutional parties, who had civil rights restored to them at the end of January because, as Al Ahram noted, "the political and economic life of the country has been reconstituted in a stable way."

For the Egyptian worker or peasant, surprisingly easy-going in his economic misery and, until yesterday, politically apathetic, there is neither more nor less freedom in our sense. There is the possibility of grousing or making jokes about the regime and its leaders--a popular pastime at all levels --even of doing almost anything that does not go so far as to advocate or talk openly about the overthrowal of the regime. In that field, perhaps all-important to Westerners with their acute political sensibilities, there is no choice given to Egyptians and there are no prospects of it being extended as far ahead as can be seen.

In the long run the chances for ultimate freedom in the broadest sense depend upon the success of the present development plans, for surely if Egypt does not escape its economic dilemma something far worse than the present limitations on freedom is inevitable. There is of course no guarantee that if the standard of living is effectively doubled the country would be granted the dubious blessings of an unrestrained press of the kind it had before the revolution (there was high quality in the minority but there was much sordidness to compensate), or a political life more active than the present one-group parliament which restricts itself to minor criticisms of the details of internal life while utterly eschewing politics and foreign affairs. But there is at least the hope that something more vital would blossom in such circumstances, if only a disappearance of the drab uniformity of political and social attitude which, more than any repression or police terror, marks the United Arab Republic today.

As the eventual emergence of greater liberty depends on economic progress, so does economic advancement depend on the maintenance of peace in the Middle East, and the obvious efforts of the regime to channel the mainstream of popular emotion into the battle of development may be the best guarantee for stability for some years to come. It is hard to see how both political passion and the new desire for betterment can be kept at fever pitch at the same time, and the official propaganda and information organs of the state have tended in past months to give a net preference to exciting the public more in the direction of production, housing, consumer goods, and such--objectives which once firmly impressed in the Egyptian mind will be dislodged

only with difficulty by a return to appeals against imperialism, colonialism, or any other ism.

Like the masterful orchestrator he is, however, President Nasser does not intend to neglect the counterpoint in his theme. There still seems to be the need, in government eyes, to keep some political issues smouldering. Israel will doubtless remain for a long time to come a whipping boy--was not the King of England one in parts of America until almost 1940? And in a recent speech in Syria (where, it should be noted, the tone is always a good deal more violent than in addresses to Egyptian audiences) the President managed to attack Israel, Jordan, Iraq, the United States, and Communism in the space of an hour. The political pressures engendered by more than a decade of defeat, bitterness, and frustration continue to be great and no Arab political leader can neglect them; if a rival outbids him, he must in turn overcall in what is certainly an unprofitable auction but one which is not likely to be terminated tomorrow.

Even apart from the subjective impressions of a warming of the political climate, statistical analysis would show how much criticism of the West has declined recently, as another sign of the way in which this society's preoccupations are gradually being internalized. There is an implacable logic in this, for as the West has lost position after position in the Middle East it has also lost grounds for antagonizing the young revolutionaries so discontented with the old way of life. In a few more years, as colonialism comes to an end in Africa and the last scattered points of indirect control in the Arabian peninsula, there should be no valid reason why Western policies need be in opposition to the fundamental and constructive aims of Arab nationalism, or why they should be opposed by it. The West can be responsible only for the first of these two propositions; by continuing to carry out, as it by and large has in the past 18 months, a tactic of approaching the Arab World, and in particular its fountainhead, Egypt, with dignity, equality, disinterested friendship, and an objective understanding of the aspirations and necessities contained in the society. The second part is up to the Arabs, and to the leaders of the United Arab Republic above all. As 1960 dawns there is some reason to hope that this decade will be more profitable to relations between the Arabs and the West than was the last.

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Egypt is stirring mightily in preparation for a long-delayed leap forward. If it is not great it will at least be more than medium size. Egypt does not mean to be denied now on this new economic level any more than it was willing to compromise in the last eight years on fundamental questions of national independence and foreign domination. It may not shape itself in the Western image; indeed, there is much room for doubt on this, for despite the superficial Westernization of its great cities it is a non-Western culture which considers itself a spokesman for the masses of Afro-Asia. At different

times in the past it has adapted or grafted on Hellenistic, Roman, Byzantine, and finally modern European elements, but it remains anchored within itself, as sure and uncompromising a heartland as can be found anywhere.

And Egypt certainly has the right, bestowed on it by its long and remarkable history, to find its own model. After all, it was Egypt which developed the world's first highly centralized government; its first organized, authoritarian kingship; its first functioning bureaucracy; its first glimmerings of life after death and the vague, noble idea of something beyond animal mortality; its first enduring major monuments; in fact, the first ideas of a stature transcending the void that had gone before. Who can honestly say that, regardless of the vastness of the problems it now faces, this most unique and important country will not be capable of still more creative originality in the years to come.

Charles F. Gallagher